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assignment rights under §351.701(b) and (c)).

- (d) An employee who has not received a specific reduction in force notice has no right to review the agency's retention registers and related records.
- (e) The agency is responsible for ensuring that each employee's access to retention records is consistent with both the Freedom of Information Act (5 U.S.C. 552), and the Privacy Act (5 U.S.C. 552a).
- (f) The agency must preserve all registers and records relating to a reduction in force for at least 1 year after the date it issues a specific reduction in force notice.

[64 FR 16800, Apr. 7, 1999]

§ 351.506 Effective date of retention standing.

Except for applying the performance factor as provided in §351.504:

- (a) The retention standing of each employee released from a competitive level in the order prescribed in §351.601 is determined as of the date the employee is so released.
- (b) The retention standing of each employee retained in a competitive level as an exception under §351.606(b), §351.607, or §351.608, is determined as of the date the employee would have been released had the exception not been used. The retention standing of each employee retained under any of these provisions remains fixed until completion of the reduction in force action which resulted in the temporary retention.
- (c) When an agency discovers an error in the determination of an employee's retention standing, it shall correct the error and adjust any erroneous reduction-in-force action to accord with the employee's proper retention standing as of the effective date established by this section.

[51 FR 319, Jan. 3, 1986, as amended at 60 FR 3063, Jan. 13, 1995; 62 FR 10682, Mar. 10, 1997]

Subpart F—Release From Competitive Level

§ 351.601 Order of release from competitive level.

(a) Each agency shall select competing employees for release from a

competitive level under this part in the inverse order of retention standing, beginning with the employee with the lowest retention standing on the retention register. An agency may not release a competing employee from a competitive level while retaining in that level an employee with lower retention standing except:

- (1) As required under §351.606 when an employee is retained under a mandatory exception or under §351.806 when an employee is entitled to a new written notice of reduction in force; or
- (2) As permitted under §351.607 when an employee is retained under a permissive continuing exception or under §351.608 when an employee is retained under a permissive temporary exception.
- (b) When employees in the same retention subgroup have identical service dates and are tied for release from a competitive level, the agency may select any tied employee for release.

§351.602 Prohibitions.

An agency may not release a competing employee from a competitive level while retaining in that level an employee with:

- (a) A specifically limited temporary appointment;
- (b) A specifically limited temporary or term promotion;
- (c) A written decision under part 432 or 752 of this chapter of removal or demotion from the competitive level.

[51 FR 319, Jan. 3, 1986, as amended at 62 FR 62502, Nov. 24, 1997]

§ 351.603 Actions subsequent to release from competitive level.

An employee reached for release from a competitive level shall be offered assignment to another position in accordance with subpart G of this part. If the employee accepts, the employee shall be assigned to the position offered. If the employee has no assignment right or does not accept an offer under subpart G, the employee shall be furloughed or separated.

§ 351.604 Use of furlough.

(a) An agency may furlough a competing employee only when it intends within 1 year to recall the employee to

duty in the position from which furloughed.

- (b) An agency may not separate a competing employee under this part while an employee with lower retention standing in the same competitive level is on furlough.
- (c) An agency may not furlough a competing employee for more than 1 year.
- (d) When an agency recalls employees to duty in the competitive level from which furloughed, it shall recall them in the order of their retention standing, beginning with highest standing employee.

§351.605 Liquidation provisions.

When an agency will abolish all positions in a competitive area within 180 days, it must release employees in group and subgroup order consistent with §351.601(a). At its discretion, the agency may release the employees in group order without regard to retention standing within a subgroup, except as provided in §351.606. When an agency releases an employee under this section, the notice to the employee must cite this authority and give the date the liquidation will be completed. An agency may also apply §§351.607 and 351.608 in a liquidation.

[60 FR 2678, Jan. 11, 1995]

§351.606 Mandatory exceptions.

- (a) Armed Forces restoration rights. When a agency applies §351.601 or §351.605, it shall give retention priorities over other employees in the same subgroup to each group I or II employee entitled under 38 U.S.C. 2021 or 2024 to retention for, as applicable, 6 months or 1 year after restoration, as provided in part 353 of this chapter.
- (b) Use of annual leave to reach initial eligibility for retirement or continuance of health benefits. (1) An agency shall make a temporary exception under this section to retain an employee who is being involuntarily separated under this part, and who elects to use annual leave to remain on the agency's rolls after the effective date the employee would otherwise have been separated by reduction in force, in order to establish initial eligibility for immediate retirement under 5 U.S.C. 8336, 8412, or 8414, and/or to establish initial eligi-

bility under 5 U.S.C. 8905 to continue health benefits coverage into retirement.

- (2) An agency shall make a temporary exception under this section to retain an employee who is being involuntarily separated under authority of part 752 of this chapter because of the employee's decision to decline relocation (including transfer of function), and who elects to use annual leave to remain on the agency's rolls after the effective date the employee would otherwise have been separated by adverse action, in order to establish initial eligibility for immediate retirement under 5 U.S.C. 8336, 8412, or 8414, and/or to establish initial eligibility under 5 U.S.C. 8905 to continue health benefits coverage into retirement.
- (3) An employee retained under paragraph (b) by this section must be covered by chapter 63 of title 5, United States Code.
- (4) An agency may not retain an employee under paragraph (b) of this section past the date that the employee first becomes eligible for immediate retirement, or for continuation of health benefits into retirement, except that an employee may be retained long enough to satisfy both retirement and health benefits requirements.
- (5) Except as permitted by 5 CFR 351.608(d), an agency may not approve an employee's use of any other type of leave after the employee has been retained under a temporary exception authorized by paragraph (b) of this section.
- (6) Annual leave for purposes of paragraph (b) of this section is described in § 630.212 of this chapter.
- (c) *Documentation*. Each agency shall record on the retention register, for inspection by each employee, the reasons for any deviation from the order of release required by §351.601 or §351.605.

[62 FR 10682, Mar. 10, 1997]

§ 351.607 Permissive continuing exceptions.

An agency may make exception to the order of release in §351.601 and to the action provisions of §351.603 when needed to retain an employee on duties that cannot be taken over within 90 days and without undue interruption to